

## § 291.440

thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

[61 FR 55715, Oct. 28, 1996]

### § 291.440 Recordkeeping requirements.

Each lessee must establish and maintain sufficient records to enable the Secretary to determine whether the requirements of this subpart have been met. This includes, where available, racial, ethnic, gender, and disability status data on the applicants for, and beneficiaries of, this homeless initiative.

(Approved by the Office of Management and Budget under OMB control number 2502-0412)

[61 FR 55716, Oct. 28, 1996]

## Subpart F—Officer Next Door Sales Program

SOURCE: 64 FR 36212, July 2, 1999, unless otherwise noted.

### § 291.500 What is the purpose of the Officer Next Door Sales Program?

The purpose of the Officer Next Door Sales Program is to promote safe neighborhoods by encouraging law enforcement officers to purchase, and live in as their sole residence, homes located in economically distressed neighborhoods.

### § 291.510 How does the Officer Next Door Sales Program work?

(a) The Officer Next Door Sales Program enables a full-time law enforcement officer to purchase a HUD-acquired home located in a HUD-designated Revitalization Area or HUD-approved exception area:

(1) At a discount from the list price; and

(2) With a reduced downpayment, if:

(i) The home is eligible for an FHA-insured mortgage; and

(ii) The law enforcement officer chooses to finance the home through an FHA-insured mortgage, and is qualified to obtain such a mortgage.

(b) Under the Officer Next Door sales Program, all properties acquired by HUD (both those that are eligible for FHA mortgage insurance and those

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that are not eligible) located in HUD-designated Revitalization Areas are made available to interested law enforcement officers, government entities, and nonprofit organizations prior to listing the properties for sale to the general public. Purchasers must notify HUD of their geographic area of interest and will be given five (5) days to indicate their preliminary interest in a specific property as more fully explained in § 291.210(a).

### § 291.520 How do I qualify to purchase a home through the Officer Next Door Sales Program?

To qualify to purchase a home through the Officer Next Door Sales Program you must:

(a) Be a full-time law enforcement officer as described in § 291.530;

(b) Agree to own, and live in as your sole residence, the home for the entire duration of the owner-occupancy term;

(c) Agree to execute a second mortgage and note on the home as described in § 291.550 for the difference between the list price and the discounted selling price;

(d) Agree that you will not own any residential real property, other than the home you purchase through the Officer Next Door Sales Program, during the owner-occupancy period.

### § 291.530 Who qualifies as a law enforcement officer?

You qualify as a law enforcement officer, for the purposes of the Officer Next Door Sales Program, if you are:

(a) Employed full-time by:

(1) A Federal, state, county or municipal government; or

(2) A public or private college or university; and

(b) In carrying out such full-time employment, you are sworn to uphold, and make arrests for violations of, Federal, state, county, or municipal law.

[64 FR 36212, July 2, 1999, as amended at 65 FR 60326, Oct. 10, 2000]

### § 291.540 What is the owner-occupancy term?

The owner-occupancy term is the number of years a participant in the Officer Next Door Sales Program must agree to own, and live in as their sole residence, a home purchased through

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the Officer Next Door Sales Program. The owner-occupancy term is determined by HUD.

**§ 291.550 What is the second mortgage?**

The second mortgage is a mortgage and note on the home you purchase through the Officer Next Door Sales Program. The amount of the second mortgage is the difference between the list price of the home and the discounted selling price. The second mortgage will have the same term as the owner-occupancy term. The amount of the second mortgage will be reduced, according to a schedule established by HUD, periodically over the owner-occupancy term. If you fail to meet any of the continuing obligations of the OND Sales Program, you will owe HUD the amount due on the second mortgage. At the end of the owner-occupancy term, the amount of the second mortgage will be zero.

**§ 291.560 May I purchase a multi-unit property through the Officer Next Door Sales Program if I plan to live in one of the units as my sole residence?**

No, only single-unit properties are eligible for the Officer Next Door Sales Program.

**§ 291.570 What continuing obligations apply to me if I purchase a home through the Officer Next Door Sales Program?**

To remain a participant in the Officer Next Door Sales Program you

must, for the entire duration of the owner-occupancy term:

(a) Continue to own, and live in as your sole residence, the home you purchased through the Officer Next Door Sales Program;

(b) Not own any other residential real property other than the home you purchased through the Officer Next Door Sales Program; and

(c) Certify initially and once annually that paragraphs (a) and (b) of this section continue to be true.

**§ 291.580 May governmental entities and private nonprofit organizations purchase homes through the Officer Next Door Sales Program?**

Yes, governmental entities and private nonprofit organizations may purchase homes through the Officer Next Door Sales Program, if they intend to resell these homes directly to law enforcement officers under the terms and conditions of the Officer Next Door Sales Program. In order to participate, governmental entities and private nonprofit organizations must either:

(a) Assign the sales contract to a qualified law enforcement officer before, or at the time of, closing; or

(b) Participate in a three party closing with the qualified law enforcement officer.

**§ 291.590 How are the terms governmental entities and private nonprofit organization defined?**

The terms *Governmental entities* and *Private nonprofit organization* are defined in § 291.5 of this part.